OMDC

ANNUAL REPORT 2002 / 2003

Ontario Media Development Corporation

Film

Television

Book and Magazine Publishing

Interactive Digital Media

Music

Ontario

Ontario Media
Development
Corporation

1 THE BOARD OF DIRECTORS

The Board of Directors sets the Corporation's strategic directions. Members are appointed by Order-in-Council for a term not exceeding three years.

Marcelle Lean, Chair _ appointed February 7, 1998; reappointed February 7, 2003
Peter E. Steinmetz, Vice-chair _ reappointed February 7, 1998; reappointed February 7, 2001
Lawrence A. Brenzel _ appointed November 18, 1998; reappointed February 7, 2001
Azim Fancy _ appointed November 18, 1998; reappointed February 7, 2001
Tomas Fiore _ appointed June 17, 1998; reappointed February 7, 2001
Joseph Garwood _ appointed December 9, 1998; reappointed February 7 2001
Valerie Hussey _ appointed February 27, 2002 to no later than February 6, 2005
Robin Peerenboom _ appointed June 17, 1998; reappointed February 7, 2001
Melinda Rogers _ appointed February 26, 2001 to no later than February 6, 2004
Richard Sharp _ appointed March 20, 1997; reappointed February 7, 2000 to August 19*, 2002
Stephen Stohn _ appointed February 7, 2001 to no later than February 6, 2004
John Simcoe _ appointed February 7, 2003 to no later than February 6, 2006
Sylvia Sweeney _ appointed February 17, 1999; reappointed February 7, 2002
Kevin Warn _ appointed May 17, 2000 to no later than February 6, 2003
Suzanne Weiss _ appointed November 18, 1998; reappointed February 7, 2001
Bruce Westwood _ appointed February 7, 2001 to no later than February 6, 2004
Andrew White _ appointed March 20, 2002 to no later than February 6, 2005
Al Zikovitz _ appointed February 15, 2001 to no later than February 6, 2004
resignation date

Total remuneration of the Board of Directors for the fiscal year ended March 31, 2003 was $36,800.22.

Ontario
Ontario Media Development Corporation
Société de développement de l'industrie des médias de l'Ontario

ONTARIO MEDIA DEVELOPMENT CORPORATION
175 Bloor Street East, South Tower, Suite 501, Toronto, Ontario M4W 3R8

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Ontario's cultural media industries contribute significantly to our Provincial economy:

- 70% of all English language magazines in Canada are published in Ontario.
- Over 80% of the music industry in Canada is located in Ontario.
- In 2002/2003, Film and Television production contributed over $1 billion to the Provincial economy.
- Book publishing revenue in 2000/01 in Ontario totaled over $1.5 billion.
- The Digital Media industry in Ontario employs 8,000 people and generates more than $1 billion per year.

OMDC plays an important role in strengthening Ontario's Cultural Media Industries:

- The OMDC Board of Directors announced the appointment of Michel Frappier as the new Chief Executive Officer on June 25, 2002.
- A new series of programs and initiatives were launched to support the cultural media sectors served by the OMDC on August 19, 2002.
- The Ontario Book Initiative (OBI), a $1.5 million investment program, was launched to support the book publishing industry.
- The second annual OMDC conference *Six Degrees of Integration: Planning for the Future* was held in Toronto.
- The OMDC administered the Minister's Trillium Book Award/Prix Trillium program which included a new Trillium Book Award for Poetry.
- Creation of *Home Grown for Holidays* joint marketing program for Ontario's book, magazine, and music industries.
- Tax credit administration was streamlined to be faster and easier.
- Since August 2002, the OMDC has supported programming at 37 Ontario-based festivals and events and the attendance of Ontario entrepreneurs at 23 international markets for export.

A MESSAGE FROM THE CHAIRPERSON

The Honourable David H. Tsubouchi
Minister of Culture

Dear Minister,

I am pleased to present the Annual Report of the Ontario Media Development Corporation for the fiscal year 2002/2003. This has been a remarkable year for the OMDC in many ways.

In a year of world economic, political and social uncertainty our sector remained strong and contributed over $6 billion to the provincial economy while employing more than 80,000 Ontarians.

In June, Michel Frappier joined us as our new Chief Executive Officer bringing a wealth of business, marketing and communication expertise to the OMDC. His leadership will enable us to fulfill our strategic objectives geared towards ensuring the cultural vibrancy across our six cultural media industries.

On August 19th we launched a series of new programs and initiatives which, when combined with our existing programs, provide Ontario's cultural media cluster with an unprecedented level of support. These programs are designed to stimulate jobs and attract investment in Ontario by increasing the competitiveness of our cultural companies. In the fall, the OMDC embarked on a Board Governance Initiative to enable the OMDC Board to work more effectively in moving the Corporation forward.

On behalf of the dedicated OMDC Board, the Corporation's staff, its management and our CEO, I am pleased and proud to say that this has been a year of action. We have implemented far reaching and much needed support empowering the businesses within our sector, helping them thrive and prosper, and ensuring our continued contribution to the economy, and people, of Ontario.

Marcelle Lean
Chairperson

2002/2003 has been a year of new beginnings on many fronts.

This is my first year at OMDC so it is a new beginning for me. I left the business world and joined the public sector at the OMDC because I was convinced of the Corporation's relevance to Ontario's economic and cultural future. I am pleased and proud to be part of this vital enterprise whose function is to facilitate growth and well being for our cultural media industries, the Province, and most importantly the people of Ontario.

The OMDC has a clear mandate, clear direction, outstanding staff, inspired management, and is currently working to empower Ontario's cultural media companies by enhancing their growth and vibrancy. The OMDC also has a Board of Directors whose combined experience, expertise and commitment will guide the OMDC towards the fulfillment of its mandate.

This year we implemented a sweeping series of new programs and initiatives that have furthered our mandate of stimulating jobs and investment in Ontario by making our cultural companies more competitive. These new programs, combined with our existing programs, support and promote our six cultural media industries, music, digital media, magazine publishing, film and television, and book publishing by providing more than long term strategic support. They also provide much needed short term tangible support, like the $1.5 million we invested to empower 46 of Ontario's book publishers this year through the Ontario Book Initiative (OBI).

Of course there are many curves on the road to success but we are making remarkably good progress. Many challenges face the individual companies and industries within our sectors on the road ahead. We shall continue to work with our clients, shoulder-to-shoulder, to develop new thinking that enables them to thrive and prosper, making Ontario a better place for us all to live.

All of us at the OMDC are looking forward to serving Ontario's cultural sector in the coming year. We are committed to doing everything in our power to help our sector thrive, grow and compete.

Michel Frappier
Chief Executive Officer

"Our goal is to **promote economic growth**, foster a favourable climate for investment and job creation, and support the development of **cultural products and experiences** that are uniquely and proudly Canadian"

– Marcelle Lean, OMDC Chair

Following careful planning and program review, on August 19, 2002 an unprecedented new level of support for Ontario's cultural media cluster became reality. The planning and review stages ended and we moved into the era of implementation. This has been a year of action. We launched numerous new programs, and continued existing programs, to directly encourage growth in the six sectors covered by our expanded mandate: music production, interactive digital media, magazine publishing, film and television production, and book publishing.

Our mandate is to stimulate jobs and investment in Ontario. Our focus is to build capacity and competitiveness among Ontario's cultural media industries. We have a clear mandate, very clear direction, and are committed to delivering programs and services that will enable our clients to grow and prosper.

Culture is also a business and in Ontario it's big business. Last year alone the combined contribution of our cultural media cluster to the Provincial economy was over $6 billion, while employing over 80,000 people. That's larger than either the Provincial mining or pharmaceuticals industries.

Ontario is the home to more than half of Canada's cultural media products, and some of the best. Ontario comes to mind when you think of numerous world-wide household names like the Oscar-winning movie *Chicago* and Oscar-nominated *My Big Fat Greek Wedding*; recording artists across all genres from Avril Lavigne, Shania Twain, Loreena McKennitt, to Ron Sexsmith, Barenaked Ladies, The Tragically Hip, Oscar Peterson, and Rush. A wealth of critically acclaimed writers also hail from Ontario such as Margaret Atwood, Christian Bök, Anne-Marie MacDonald, Rohinton Mistry, Robert Munsch, Michael Ondaatje, and Austin Clarke whose novel *The Polished Hoe* won the Giller Prize and co-shared the 16th Annual Trillium Book Award in the English-language category with Nino Ricci's *Testament*. Outstanding literary talent in the French-language category is evident with writers such as Michel Ouellette's Trillium Book Award winning novel *le testament du courturier* and the rise of a new poet Eric Charlebois for *Faux-fuyants*, the recipient of the inaugural Trillium Book Award for Poetry (see page 13 for complete list of Trillium Book Awards/Prix Trillium finalists). Ontario filmmakers include David

Cronenberg, Atom Egoyan, John Greyson, Patricia Rozema, Don McKellar, Deepa Mehta, and David Wellington, to mention a few. Television series such as *Blue Murder, The Designer Guys, Degrassi: The Next Generation, Queer As Folk, The Red Green Show,* and *Royal Canadian Air Farce* are successful both at home and abroad. Ontario also produces popular animated series such as *The Blobheads* and *Franklin.* Innovation powered by imagination is the driving force behind the success of Ontario's animation & digital companies such as C.O.R.E., Command Post TOYBOX, Decode Entertainment, and Snap Media. Ontario is home to over 700 fine magazines including *Maclean's, Cottage Life, Chatelaine, Canadian Home Workshop Magazine,* and *Toronto Life,* to name just a few. These success stories have delivered a message to the world: we have a wealth of world class talent right here in Ontario.

Ontario's wealth of new talent is rapidly gaining world recognition and achieving critical acclaim. This includes the filmmaking team of Paula Fleck (Producer) and Stephanie Morgenstern (Director) whose Al Waxman Calling Card short film *Remembrance* was awarded both the Best Canadian Short 2002 at the Canadian Film Centre Worldwide Short Film Festival and the 2002 Jutra Award for Best Short Film as well as receiving a Genie nomination in the Best Live Action Short category. Dorlene Lin (Producer) and Naomi Wise (Director) were awarded "Best Short Documentary" at the New York International Independent Film and Video Festival for their Al Waxman Calling Card documentary short *Chinese Daughters.* The Ottawa game development company Oceanus Communications took their popular game *Legacy* and partnered with Sega.com to launch *Legacy Online.* Second Story Press's *Hannah and Her Suitcase* has won numerous awards and film offers as well as being translated to enter 20 markets. Maple Music signed Sam Roberts, who they helped guide to stardom, and Kathleen Edwards, who *Rolling Stone* named one of 10 emerging artists to watch in 2003. However, what the world doesn't know yet is that what they've seen so far is just the tip of the iceberg. Our challenge is to ensure that Ontario's companies thrive and reach the widest possible audience in the global marketplace.

We are the central catalyst for Ontario's cultural media cluster. We promote, enhance and leverage private investment, jobs, and original content creation. We build on the cultural media sector's strengths by increasing the business acumen of both large and small companies, providing opportunities for increased market access, and encouraging cross-sector partnerships that can lead to new revenue streams. In doing so we will assure that Ontario is recognized as a leading global jurisdiction in which to invest, create, produce, distribute, and enjoy original cultural media projects. This year we have launched or continued programs, initiatives, and services to support all six of the cultural media industries in our sector.

Our challenge is to improve the exposure to our world-class cultural products so that they will be enjoyed by more cultural consumers, in Canada and around the world. Our success will help elevate Ontario to its rightful position on the world's cultural media stage, and help make Ontario THE place where people from all over the world want to live and work.

A Year of Action

2002/2003 was an exciting year for the OMDC and Ontario's cultural media industries. The Program Review had just been completed and we continued to work toward achieving pre-Program Review strategic objectives along with preparing for our 2002 Program launch. On August 19th, with a year of careful planning and review behind us, the OMDC launched an exciting series of new initiatives, programs and services designed to facilitate growth and innovation in Ontario's music, digital media, magazine publishing, film and television, and book publishing industries. The era of planning and reviewing ended and the era of implementation began.

- On June 25, 2002 Michel Frappier was named Chief Executive Officer of the OMDC.

"Michel's expertise in business management, marketing, and convergence will be invaluable as we unveil our new strategic directions, programs and services in support of Ontario's cultural industries." – Marcelle Lean, OMDC Chair

- On August 19th, 2002 the OMDC launched a series of new services and programs to benefit our expanded range of cultural industries. The new initiatives were designed to help companies develop more innovative business practices, attract investment, conduct export marketing, raise the profile of Ontario-based events and festivals, and carry out market research. These new initiatives, combined with continuing programs, benefit all of our cultural industries and are designed to facilitate opportunities for cross-pollination of intellectual property and business opportunities.

- **The Ontario Book Initiative (OBI).** This dramatic new program was launched, providing much needed support for Ontario's book publishing industry in the wake of distribution and retail challenges through $1.5 million of working capital to Ontario's book publishers. The OBI provided an immediate investment of up to $100,000 per eligible publisher, with the goal of enhancing the book publishing sector's ability to attract investment, generate employment and be competitive. Forty-six Ontario book publishers received support from the OBI in 2002/2003.

- **16th Annual Trillium Book Awards.** The administration of the Provincial Trillium Book Awards/Prix Trillium recognizing literary excellence were transferred to the OMDC this year. The prize structure was significantly expanded and a new Trillium Award for Poetry was created by the Honorable David H. Tsubouchi, Minister of Culture, to recognize achievements by new emerging poets in English and in French.

Six Degrees of Integration: Planning for the Future. The second annual OMDC conference provided a dynamic and relevant environment for sharing ideas, stimulating creativity and innovation, and identifying showcases across our cultural media sectors. Leading business experts and social trends futurists shared their perspectives with more than 200 of Ontario's cultural industry leaders representing book and magazine publishing, television and film production, music and interactive digital media. The conference was generously sponsored by returning sponsors: Alliance Atlantis Communications Inc., Cassels, Brock & Blackwell, RBC Royal Bank, Rogers Communications Inc. and new sponsors: CHUM Limited, Corus Entertainment, The Directors Guild of Canada – Ontario, Financial Task Force, Mandrake, MVI Display, PricewaterhouseCoopers and St. Joseph Corporation.

The BIG Event. A free monthly networking event featuring a cross-section of industry speakers was launched this year by the OMDC and Telefilm Canada to explore common issues, concerns and business practices across our cultural sectors. These monthly meetings were well attended and a wide range of topics, of direct interest to our sector were covered ranging from "Partnering: Potential and Perils" to "Going Global: Export Development Readiness".

...from the printed page to the silver screen... The OMDC, along with the ROM, hosted this initiative that brought together key players from the publishing and film industries to discuss the journey of a book to a film and to build new partnerships among Ontario's cultural media industries.

OMDC partnered with **Canadian Music Week (CMW)**, Canada's largest music industry event with delegates ranging from performers to record companies to retailers. OMDC sponsorship allowed for a whole *Music in Film Day*. CMW delegates gained useful insights on how to network and get their music into film and television. The OMDC facilitated one-on-one meetings with key music supervisors from Los Angeles, domestic music publishers, and independent label owners, as well as two open panel discussions on the subject for CMW delegates. Other OMDC funded panels included topics such as: attending international conferences, taking a label to market, developing business plans and budgets and securing funding. The OMDC's Market Access Program provided four CMW delegates with preparatory sessions with a senior advisor and full accreditation to gain market experience at this important industry event.

Home Grown for the Holidays is a new cooperative venture: a joint marketing program for Ontario's book, magazine, and music industries. This unprecedented collaboration featured cultural media products from all three sectors in themed group ads that ran during the peak retail period in November and December.

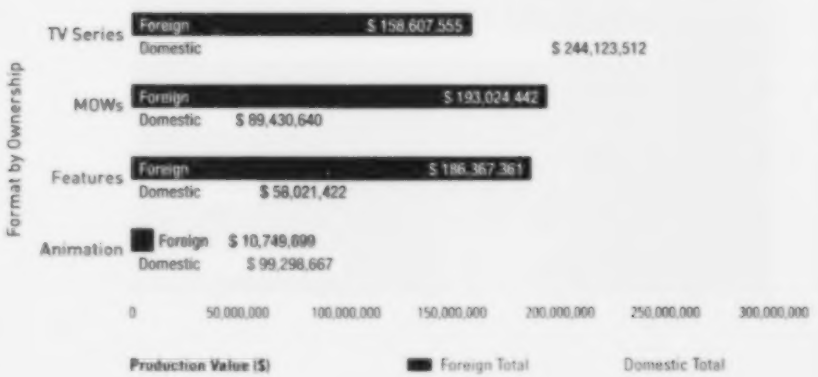
Throughout the year, the OMDC advisory committees made up of representatives from our music, interactive digital media, magazine publishing, film and television, and book publishing industries met to discuss and contribute ideas to OMDC program offerings.

The economic world has been at the mercy of ominous world events, and the cultural media sector has been affected along with all others. The after-shock of the events of September 11th, the resulting economic slowdown, corporate scandals in the US, shifts in distribution and retailing, and the threat of war in the Middle East have all had inverse effects on the business of culture. Even through all this adversity our cultural sector has been holding its own. The OMDC's production activity for the fiscal year (April 1, 2002 - March 31st, 2003) for film and television production in Ontario was over $1 billion CAN.

Our new streamlined tax credit system will help make Ontario more attractive to cultural content producers from all over the world.

2002/2003 Totals of Production Activity

2002/2003 Breakdown of Production Activity by Format



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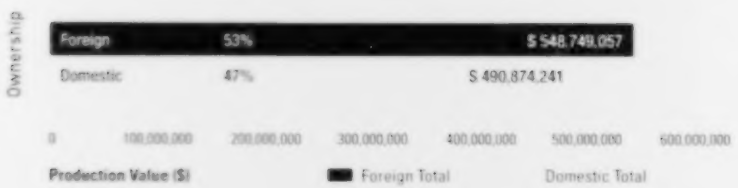

2002/2003 Breakdown of Production Activity by Format

Tax Credit Evolution

The number of tax credit applications for this year is up significantly. In total, the number of applications rose by 45% to 1,072 applications. Similar to past years, there was an increase in the number of OFTTC (film) applications which rose by 56% this year. The number of OBPTC (book) applications increased by 9% this year. Most notable was the increase in (music) applications for the OSRTC. The OMDC received 15 times more applications this year for the OSRTC. Many of the applications for the OSRTC were from new applicants who responded to the OMDC's promotion and outreach at industry events.

The OMDC works continuously with the Ministry of Finance to make cycle times faster, thereby making Ontario more attractive to content producers. As a result, a new streamlined tax credit administration system, administered by the OMDC, was implemented this year. The new system makes it faster and easier for producers to receive tax credits and has reduced the processing time by more than half.

The OMDC, with the Ministry of Finance, co-administers 6 tax credits for Ontario's cultural industries:

- OFTTC / Ontario Film and Television Tax Credit – available for domestic film and television production in Ontario.
- OPSTC / Ontario Production Services Tax Credit – available to non-Canadian content and foreign film and television production.
- OCASE tax credit / Ontario Computer Animation and Special Effects Tax Credit for digital effects in film and television productions.
- OIDMTC / Ontario Interactive Digital Media Tax Credit for original interactive content production.
- OBPTC / Ontario Book Publishing Tax Credit – available to Ontario book publishers for books by Canadian authors.
- OSRTC / Ontario Sound Recording Tax Credit available to Ontario music labels for recordings by Canadian artists or groups.

Ontario Media Development Corporation
Tax Credit Applications Received and Certificates Issued in 2002/2003

	No. of Applications	Total Value of Tax Credit Request (1)	No. of Certificates Issued	No. of Projects	Total Productiont Value (2)
Ontario Book Publishing Tax Credit	327	N/A	299	299	N/A
Ontario Sound Recording Tax Credit	220	N/A	134	70	N/A
Ontario Film & Television Tax Credit	369	$ 66,305,490	465	444	$ 1,049,593,904
Ontario Productio· Services Tax Credit	104	$ 33,030,232	227	223	$ 1,025,247,974
Ontario Computer Animation & Special Effects Tax Credit	23	$ 3,651,541	37	255	$ 99,875,937
Ontario Interactive Digital Media Tax Credit	29	$ 1,431,663	27	117	$9,085,688
Grand Total for all Tax Credits	1,072	$ 104,418,926	1,189	1,408	$ 2,183,803,503

(1) The tax credit requests represent amounts requested by applicants. The requests are often much higher than the amount paid to the applicant for the production. Therefore, the figure does not accurately reflect the dollar value of annual Ontario tax credits.
(2) The total value of productions is a sum of the value of each production certified in the year. The figure does not necessarily represent productions that occurred in the reported year. As productions apply for a tax credit at various times and the timing of issuance of certificates varies, the value of certified productions has little relation to production activity in Ontario.

Note: OCASE and OIDMTC applications are based on the applicant's fiscal year of activity and may include multiple productions. Due to the reasons noted in (1) and (2), future reports will no longer include these figures.

Business innovation for all sectors

This year the OMDC was extremely active and provided three Market Access opportunities per sector, and, through the Industry Fellowships Program, offered eight mentorships, two placements, four training bursuries and four Executive Exchanges.

- **Market Access Program (MAP).** This program provides market access support, together with general and specific business development information and skills, to cultural entrepreneurs. MAP's focus is knowledge transference, with the goal of increasing domestic and export market acumen.

- **Knowledge Forum.** The BIG Event and Executive Forum allow participants to obtain skills that are relevant to both day-to-day operations and aspirations for the future in a cross-sector networking environment.

- **Sectoral Organization Support (SOS).** This program offers financial and consulting partnerships support for sectoral trade organizations undertaking professional, business and industrial development initiatives in the cultural media industries. Thirty-three initiatives were supported through the SOS program.

- **Industry Fellowships.** This program addresses the key strategic alignments of strategic business planning and sector alliance building through Industry Internships, Mentorships, Training Bursaries and Executive Exchanges.

- OMDC in partnership with The Canadian Magazine Publisher's Association (CMPA) supported the research study: *Economic Performance of the Ontario Magazine Sector: Strengths and Challenges.*

Spreading our message to the world.

The Ontario Cultural Media Marketing Group promotes the development of the cultural media industries with the goals of increased size, strength and wealth in each sector. Ontario is promoted as a jurisdiction for motion picture and television production. Ontario's music composers are introduced to decision-makers around the world for the creation of motion picture and television scores. Opportunities are arranged for book publishers and agents to sell the literary rights of Canadian authored works to film and television producers. One of the goals of these cross-sectoral programs is to enable commercially successful all-Canadian entertainment, from idea to applause.

We're at all the major events around the world...

Our export and domestic marketing program promotes our cultural media cluster at major industry trade events around the world. Our goal is to maximize business opportunities with measurable results. This year we spread the message at MIPCOM (Television), Game Developer's Conference (Interactive Digital Media), MIDEM (Sound Recording), The Cannes International Film Festival (Film), and the Frankfurt and London Book Fairs (Book Publishing).

... and all the major events in Ontario.

The OMDC has targeted events that directly support sales or provide a showcase for our cultural media industries to showcase their products domestically. We've targeted events that promote cross-sectoral opportunities and initiatives. This year we had a strong presence at The Toronto International Film Festival, Canadian Music Week, Magazines University, Canadian New Media Awards, North by Northeast, Hot Docs International Documentary Festival, Word on the Street – Toronto, and Canadian Film Centre's Worldwide Short Film Festival.

The OMDC's partnership with the Toronto International Film Festival Group provides support to the invaluable Film Reference Library and Cinemathèque. During the 27th Toronto International Film Festival the OMDC Sales Office at the festival ensured a vibrant film marketplace creating a hub where delegates have a designated place to network, make contacts and close deals.

The OMDC also provides operating support to the Canadian Film Centre.

Content Creation Empowerment and Innovation

New Voices, New Visions program supported seven new market-supported projects encouraging new content development. As well, the framework for **Pioneering Content**, a new program to be launched in the next fiscal year, was developed with the aim to facilitate content convergence and build new partnerships across sectors to stimulate innovative market-driven cultural prototypes.

Information Sharing Across the Cultural Cluster

The OMDC is a vital source of industry information for our cultural media sectors. By gathering and sharing strategic statistical information across our sectors we provide information that helps steer domestic and foreign marketing, new product development and innovation.

13 OMDC COMMITMENTS

16TH ANNUAL TRILLIUM BOOK AWARD FINALISTS – **Book Publisher recipients:**
Coach House Press – for *Seven Pages Missing, Vol. 2*
Doubleday Canada – for *Testament*
Les Éditions David – for *Eaux D'Ève*
Les Éditions David – for *Debout sur la tête d'un chat*
Le Nordir – for *Le testament du couturier*
Le Nordir – for *Même les fougères ont des cancers de peau*
Le Nordir – for *Faux-fuyants*
Le Nordir – for *Tatouages et testaments*
McClelland & Stewart – for *Thirsty*
Macfarlane Walter & Ross – for *The Mourner's Dance*
Playwrights Canada Press – for *The Gwendolyn Poems*
Prise de Parole – for *humains paysages en temps de paix relative*
Thomas Allen – for *The Polished Hoe*
Vintage Canada – for *The Conversations*

CORPORATE SPONSORSHIP – AWARDS, FESTIVALS & MARKETS
American Film Market / Book Summit / Canadian Music Week (CMW) / Canada at Cannes Pavilion / CFTPA Conference 2003 / Cinéfest, Sudbury / Emma Awards / Film Circuit / Frankfurt Book Fair / HOT DOCS – Toronto Documentary Forum & Cyberdocs / Immersion Europe / London Book Fair / MAGS University / New Media Awards / North By Northeast (NXNE) / MIDEM / MIPCOM / MIP-TV / Toronto International Film Festival – OMDC Sales Office / Word on the Street

INDUSTRY FELLOWSHIPS/EXECUTIVE EXCHANGES

London Book Fair/London UK – book
Kirk Howard, Dundurn Press; Anna Porter, Key Porter Books; Martha Sharpe, House of Anansi; Althea Prince, Canadian Scholars' Press/Women's Press

Raindance/London, UK – film
Kathy Avrich Johnson, The Parent Company; Joel Awerbuck, Charlotte Bernard Productions; Helen Du Toit, Somnapix; Brett Burlock, Ace Pictures

Sheffield Documentary Festival/London, UK – television
Barbara Barde, Up Front Entertainment; Judy Holm, Markham Street Films; Judy Jackson, Judy Films; Tim O'Brien, Red Apple Entertainment

Worldwide Magazine Marketplace/London UK – magazine
Marina Glogovac, *Toronto Life*; Mary Hughes, Harwood Communications/*Spa Life*/N. American Inns; Rod Morris, *Canadian Jeweler, Style* Magazine; Norman Morris, *Canadian Business/Profit*

INDUSTRY FELLOWSHIPS – MENTORSHIPS
Craig McConnell, Arrive at Eleven Productions & Nicholas Tabarrok, Darius Films
(Deane Cameron, Universal Music Canada)

Adrienne Leahey, House of Anansi & Jennifer Canham, Owl Publications
(Kim McArthur, McArthur & Co.)

Andrea Nemtin, PTV Productions
(Michael MacMillan, Alliance Atlantis Communications)

Barbara Jones, Sailor Jones Media
(Fred Fuchs, Riverside Entertainment)

Edward Skira, *Chart* Magazine
(Marina Glogovac, *Toronto Life* and *Saturday Night* Magazines)

Chantal Payette, Roma Roth
(Peter Simpson, Norstar Filmed Entertainment)

INDUSTRY FELLOWSHIPS – PLACEMENTS – Book
Joy Gugeler, ECW Press Ltd.
James Hart, Dundurn Press

INDUSTRY FELLOWSHIPS/TRAINING BURSARIES

Alliance Atlantis Television Executive Program – television
Gavin McGarry

Banff New Media Institute – interactive
Irene Duma, Strange Duck Media

Stanford Publishing Course – book
Karen Boersma, Kids Can Press
Jennifer Smith, John Wiley & Sons, Canada

Stanford Publishing Course – magazine
Kevin Siu

JOINT STUDIES & INDUSTRY INITIATIVES

ACTRA: Film and Television Industry Marketing Research Project
Canadian Magazine Publishers Association: Canada's Magazines Study
Canadian Talent in LA directory
Documentary Organization of Canada: An Economic Profile of the Canadian Documentary Production Industry
RIDM: The Documentary Audience, 2000-2001; The Filmmakers' P.O.V. on Documentary

MARKET ACCESS PROGRAM

American Film Market (AFM) – film
Jennifer Jonas, New Real Films; Jeanne Stromberg, Stromhaus Productions; Simone Urdl, The Film Farm; Jennifer Weiss, Rhombus Media

Canadian Music Week (CMW) – music
Jordan Applebaum, Applebaum Management; Patrick Canavan, Nu Life Media; James Macedo, Gotham Recordings; Rob Rapiti, Tin House Records

The Folio: Show – magazines
Michael Brooke, *Concrete Wave* Magazine; Edward Skira, *Chart* Magazine; Olivia Tsang, *Prefix Photo*

Frankfurt Book Fair – books
Vicki Bennett, University of Ottawa Press; Adrienne Leahey, House of Anansi; Althea Prince, Canadian Scholar's Press/Women's Press

Games Developers Conference – interactive
Simon de Boer, Snap Media; Josh Druckman, Dark Matter Entertainment; Nathon Gunn, Bitcasters Inc.; Ryan Maclean, Magitech Corporation

Immersion 2002 – film
Sandra Cunningham, Strada Films; Damon D'Oliveira, Conquering Lion Prods.; Fred Fuchs, Riverside Entertainment; Louise Garfield, Triptych Media; Scott Garvie, Shaftesbury Films; Karen Lee Hall, Water Pictures; David Hamilton, Bollywood/Hollywood Productions; Mark Musselman, Serendipity Point; Paul Scherzer, Six Island Productions

Independent Press Association – magazines
Joyce Byrne, *This* Magazine; Gail Littlejohn, *Green Teacher* Magazine; Sharon Salson, *Lola*; Terry Sellwood, Quarto Communications/*Explore*; Edward Skira, *Chart* Magazine; Scott McLeod, *Prefix Photo*

International Documentary Forum Amsterdam – television
Michael McNamara, Markham Street Films; Anne Pick, Real to Reel Films; Bay Weyman, Close-Up Films; (Other Cdn participants: Lori Kuffner, Erik Paulsson)

LA Mission – interactive
Ari Firestone, Firebrand Ventures; Barbara Jones, Sailor Jones Media; Brian Katz, Immersion Studios; Michael McGuigan, Breakthrough New Media; Lora Ricci, Oceanus Communications

London Book Fair – book
Althea Prince, Canadian Scholars' Press/Women's Press; Darrell Jose, Key Porter Books; Paul Eprile, Between The Lines

Mannheim Meetings – film
Paul Barkin, Alcina Pictures; Michael Bockner, Michael Bockner Prods.; Tracey Boulton, T.L. Boulton Prods.; Paul Scherzer, Six Island Productions

MIDEM International Music Market – music
Henri Brisard, Profound Entertainment; Jeremy Caulfield, Dumb Unit; Shauna de Cartier, Six Shooter Records; Grant Dexter, Maple Music Recordings; Beverlee Moore, Linus Entertainment

National Association of Television Program Executives (NATPE) - television
Mary Jane Gomes, Audacine Inc.; Andrea Nemtin, PTV Productions; Debbie Nightingale, The Nightingale Company; Frances-Anne Solomon, Leda Serene Films

National Screen Institute (NSI) Global Marketing Program – television
(MIPTV, MIPCOM, Banff)

Real Screen Summit – television
David Balcon, Solstice Entertainment Group; Sarah Jane Flynn, Markham Street Films; Felice Gorica, Gorica Productions; Sheona McDonald, Dimestore Productions

South by Southwest (SXSW) – interactive
Jeff Rogers, Swell Music Inc.; Richard Sharp, Sharp Media Corp.; Diane Williamson, Digital Wizards Inc.

South By Southwest (SXSW) – music
Daniel Broome, True North Records; Mark DiPietro, Teenage USA Recordings; Lisa Moran, Three Gut Records

Strategic Partners Co-Production Conference – film/television
Sandra Cunningham, Strada Films; Derek Diorio, Distinct Features; Louise Garfield, Triptych Media; Kate Horton, Cambium Catalyst International

*MARKET MENTORSHIPS

E3, Los Angeles
Marco Cultrera, Oceanus Communications; Jos Yule, Trapeze Media

*MARKET MENTORSHIP INTERNSHIPS

Canadian Film Centre's Worldwide Short Film Festival (WWSFF)
James Muir

NEW VOICES, NEW VISIONS INITIATIVES

AL WAXMAN CALLING CARD – DRAMA – Film & Television

Project title	Producer/ Production Co.
**Ghosts*	Kate Kung, Project Ghosts
**Masterpiece Monday*	Jonathan Sobol, Serious Entertainment Inc.
Nigel's Fingerprint	Kim Kuhteubl, Dish Pictures Ltd.
Pop Song	David Hayman, Pijinkamra Productions

CALLING CARD DRAMA MARKETING Film & Television

Project Title	Producer/Production Co.
A Man's Life	Shannon Farr, Moondog Films
You Might Be The Youngest	Corey Marr, Shotgun Films

AL WAXMAN CALLING CARD – DOCUMENTARY – Film & Television

Project Title	Producer/Production Co.
Hardwood	Erin Young, Hardwood Pictures Inc.
**The Mantelpiece*	Samantha Hodder, Tightrope Entertainment
**Reality Quest*	Andrea Robertson, Blinding Flash of Light Prod.

CALLING CARD DOCUMENTARY MARKETING – Film & Television

Project Title	Producer/Production Co.
Blind Spot	Boja Vasic, Art 4 Media Productions

Canadian Feature Film Productions – Film & Television
Feature Film Project

Interactive City Showcase – interactive
co[re]late — Jody Bielun, Fernando Leppe & Pablo Leppe

ONTARIO BOOK INITIATIVE (OBI) –

Book Publishing Recipients

Annick Press / between the lines / Brick Books / Canadian Scholars' Press / Coach House Books / Cormorant Press / Crabtree Publishing / Dundurn / ECW Press / Firefly Books / Fitzhenry & Whiteside / Gage Learning / Garamond Press / Gateway to Knowledge / Groundwood Books / Guernica Editions / House of Anansi / Insomniac Press / Irwin Law / James Lorimer & Co. / Key Porter Books / Kids Can Press / LYNX Images / Maple Tree Press / McArthur & Co. / McClelland & Stewart / Mercury Press / Napoleon Publishing / Natural Heritage / Oberon Press / Pembroke Publishers / Penumbra Press / Pippin Publishing / Porcupine's Quill / prise de parole / Quarry Press / Sara Jordan Publishing / Second Story Press / Sumach Press / Thomas Allen & Son Limited / Thompson Educational / TSAR Publications / U of T Toronto Press / Vanwell Publishing / Wilfrid Laurier University Press

OPERATING SUPPORT

Canadian Film Centre, Cinemathèque and Toronto International Film Festival

*PARTNERSHIPS IN TRAINING

Event / Applicant

Canadian Film Centre's Worldwide Short Film Festival / *Canadian Film Centre*
International Documentary Festival / *Hot Docs*
Summer Institute of Film & TV / *Canadian Screen Training Centre*

SECTOR ORGANIZATION SUPPORT

Event / Applicant

Bell Broadcast and New Media Fund / *Driving Traffic Website Marketing*
Canadian Association for the Advancement of Music and the Arts / *Canadian Music Week*
Canadian Business Press / *Seminars and Keynote Address*, Magazines University
Canadian Film Centre's Worldwide Short Film Fest / *Short Film, Big Ideas Symposium*
Canadian Magazine Publishers Association (CMPA) / *Circulation School*
Canema Inc. / *Canadian New Media Summit*
Canadian Independent Film Caucus (CIFC) / *Taking Care of Business*
Canadian Independent Record Production Association (CIRPA) / *Financial Workshop*
Canadian Screen Training Centre (CSTC) / *Summer Institute Design Exchange*
CSTC / *Taking It to the Screen*
Digifest / *Professional Development*
Digital Eve / *Media Business Forum*
Interactive Multimedia Arts & Technologies Association (IMAT) / *Biz Trak 2003*
IMAT / *Emma Awards Master Classes*
Innoversity / *Innoversity Creative Summit*
ImagineNATIVE / *Media Arts Workshops*
Moc Docs Inc. / *Moc Docs at Hot Docs*
Music Managers Forum Canada / *Artist Management Series*
Music and Film in Motion / *Fall Music and Film Workshop Series*
Music and Film in Motion / *Taking It to Stage and Screen*
Music and Film in Motion / *Winter/Spring Workshop Series*
National Screen Institute (NSI) / *Drama Prize*
New Media Business Alliance / *Smart Lunch Series*
Organization of Book Publishers of Ontario (OBPO) / *Business Plan Seminar*
Ontario Council of Folk Festivals (OCFF) / *OCFF Conference*
Ottawa International Animation Festival (OIAF) / *OIAF Pitch Workshops*
Reel World Film Festival / *Industry Series*
Strategic Partners / *Co-production Conference*
Toronto Blues Society / *Blues Summit Conference*
Toronto Urban Music Conference / Workshop Program
Women in Film & Television – Toronto (WIFT-T) / *Career Counseling and Coaching*
WIFT-T / *Career Incubator/Coaching Series*
WIFT-T / *Nuts and Bolts*

**indicates a commitment made prior to the OMDC program launch on August 19th, 2002.*

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, and in accordance with the accounting policies described in Note 2 to the financial statements. Where estimates or judgements have been required, management has determined such amounts on a reasonable basis in conformity with Canadian generally accepted accounting policies.

Management is responsible for all information in the financial statements and has certified that all information connected with the financial statements has been provided to the Provincial Auditor.

To assist management in the discharge of its responsibilities, the Ontario Media Development Corporation maintains internal controls that are designed to provide reasonable assurance that its assets are safeguarded, to enable only valid and authorized transactions, and to ensure that accurate, timely, and comprehensive financial information is prepared.

The Ontario Media Development Corporation's Board of Directors is responsible for ensuring that management fulfills its responsibilities. The Board has appointed an audit committee from among its own members. The audit committee meets periodically with senior management and the Provincial Auditor, to discuss audit, internal control, accounting policy, and financial reporting matters. The financial statements are reviewed by the audit committee before approval by the Board of Directors.

The Provincial Auditor conducts an annual audit in accordance with subsection 14(1) of Ontario Regulation 672/00 under the *Development Corporations Act*. The auditor's report outlines the scope of the auditor's examination and opinion and appears on the following page.

Michel Frappier
Chief Executive Officer

July 4, 2003

Kristine Murphy
Director of Business
Affairs and Research
July 4, 2003

To the Board of Directors of the Ontario Media Development Corporation
and the Minister of Culture

I have audited the statement of financial position of the Ontario Media Development Corporation as at March 31, 2003 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
July 4, 2003

J.R. McCarter, CA
Assistant Provincial Auditor

STATEMENT OF FINANCIAL POSITION

as at March 31, 2003

	2003 ($ 000's)
Assets	
Cash and cash equivalents	7,896
Accounts receivable	32
Prepaid expenses	32
Accrued interest	13
Current Assets	7,973
Capital Assets (Note 3)	588
	8,561
Liabilities	
Accounts payable – programs	726
Accounts payable – other	403
Due to the Province	108
	1,237
Commitments (Note 7)	
Net assets	
Invested in capital assets	588
Unrestricted	6,736
	7,324
	8,561

The accompanying notes and schedule are an integral part of these statements.

On behalf of the board:

Chairperson

Member

STATEMENT OF OPERATIONS

For the Year ended March 31, 2003

	2003 ($ 000's)
Revenue	
Ministry of Culture	9,475
Tax credit administrative fees	537
Interest	218
Return of investment under assistance programs	
Capital refunded	25
Income	–
Trade shows	47
Legal Settlement (Note 6)	1,000
Other	133
	11,435
Expenses	
Operating expenses (Note 4, Schedule 1)	5,906
Toronto International Film Festival Group grants	1,265
Ontario Book Initatives (Note 5)	1,264
Business Innovation Group & Marketing Initatives programs	1,003
Canadian Film Centre grants	200
Joint Studies and Initiatives	100
	9,738
Excess of revenue over expenses	1,697

The accompanying notes and schedule are an integral part of these statements.

21 STATEMENT OF CHANGES IN NET ASSETS

For the Year Ended March 31, 2003

	2003 ($ 000's)			
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	446	5,181	5,627	
Excess (deficiency) of revenue over expenses	(381)	2,078	1,697	
Investment in capital assets	523	(523)	–	
Balance, end of year	588	6,736	7,324	

The accompanying notes and schedule are an integral part of these statements.

	2003 ($ 000's)
Cash flows from (used in) operating activities	
Excess of revenue over expenses	1,697
Amortization of capital assets	381
	2,078
Changes in non-cash working capital	
Accounts receivable	43
Prepaid expenses	69
Accrued interest	(11)
Accounts payable and Due to the Province	326
	427
Net cash generated through operating activities	2,505
Cash flows from (used in) financing and investing activities	
Net purchase of capital assets	(523)
Net increase in cash	**1,982**
Cash and cash equivalents at beginning of year	5,914
Cash and cash equivalents at end of year	7,896

The accompanying notes and schedule are an integral part of these statements.

23 OPERATING EXPENSES

For the Year ended March 31, 2003

	2003 ($ 000's)
Salaries, Wages and Benefits	3,231
Corporate Expenses and Operations	540
Consulting Services	443
Amortization of Capital Assets	381
Advertising, Promotion & Publications	296
Location Services	271
Trade Shows	265
Program Support	220
Travel	171
Legal	88
Total Operating Expenses	5,906

The accompanying notes are an integral part of these statements.

1. BACKGROUND

The Ontario Media Development Corporation (the 'Corporation') is an agency of the Ministry of Culture of the Government of Ontario, and as such is not required to pay income taxes. The Corporation assumed the functions of the former Ontario Film Development Corporation in December 2000 by Regulation made under the *Development Corporations Act*. The Corporation promotes the economic growth of Ontario's cultural media sector and focuses on strategic partnerships among all the industries – film, television, sound recording, book and magazine publishing and interactive digital media.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

(b) Capital Assets

Capital assets are recorded at cost less accumulated amortization. Capital assets are amortized on a straight-line basis over the following terms beginning in the year of acquisition or year of use, if later:

Furniture & Office Equipment	10 years
Computer Hardware	3 years
Customized Computer Software	3 years
Website	3 years
Leasehold Improvements	5 years

(c) Revenue Recognition

Tax credit administrative fees are recognized when earned, which is normally upon receipt. The return of investment under assistance programs is recorded on a cash basis because a reasonable estimate of the amounts to be collected cannot be made.

(d) Contributed Services

Contributed services are received for certain events and are not recognized in the financial statements.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, current bank accounts and short-term deposits with terms of maturity of less than 93 days.

(f) Pension Plans

The Corporation provides pension benefits to its classified full time employees through participation in the Public Service Pension Fund and the Ontario Public Service Employees' Union Pension Fund. These plans are accounted for as multi-employer defined contribution plans and the expense represents the Corporation's contributions to the plan during the year.

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses. Actual amounts could differ from these estimates.

3. CAPITAL ASSETS

Capital assets consist of the following:

	2003 ($000's)			
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and Office Equipment	102	42	60	
Computer Hardware	313	187	126	
Customized Computer Software	881	489	392	
Website	21	20	1	
Leasehold Improvements	17	8	9	
	1,334	746	588	

4. RELATED PARTY TRANSACTION

Certain office accommodation costs have been absorbed by the Ministry of Culture and are not included in the Statement of Operations.

5. ONTARIO BOOK INITIATIVE

The Ontario Book Initiative is a new one-time strategic investment totalling $1,487,000 that is designed to assist the book publishing industry. The final payment (15% or $223,000) is included under program commitments.

6. LEGAL SETTLEMENT

The Corporation received $1,000,000 which represents final settlement in a legal case. Current year costs associated with this lawsuit ($68,500) are reported on Schedule 1 under Legal Expenses. In addition, approximately $715,000 in legal and investigation costs associated with this case were incurred and recorded as expenses over the previous eight years.

7. COMMITMENTS

(a) Program Commitments

The Corporation has approved grants in the amount of $413,000 which will be paid out of existing funds over the next year if and when certain requirements are satisfactorily met by recipients.

This amount is not reflected in the Statement of Operations.

(b) Lease Commitments

The Corportion is committed under operating leases for some leased premises as these office accommodation costs are not absorbed by the Ministry of Culture. Future mimimum rental payments due total $40,000 and the current lease expires on October 31, 2003.

8. PENSION PLANS

The Corporation's required contributions to the pension plans for the year ended March 31, 2003 were $115,000 (2002 - $76,000) and are included in Salaries, Wages and Benefits in Schedule 1.
The cost of post-retirement non-pension employee benefits are paid by Management Board Secretariat and are not included in the Statement of Operations.

9. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform to the current year's financial statement presentation.